

EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

JLM COUTURE, INC.,

Debtor.

Chapter 11
(Subchapter V)

Case No. 23-11659 (JKS)

**DECLARATION OF TIFFANY COOKE IN SUPPORT OF
HAYLEY PAIGE’S MOTION TO CONVERT THE CASE FROM
A CHAPTER 11 PROCEEDING TO A CASE PROCEEDING UNDER CHAPTER 7**

I, Tiffany Cooke, hereby declare under penalty of perjury:

1. I am a partner with the law firm Haynes Boone LLP and represent Hayley Paige Gutman (“Gutman”) in litigation styled *JLM Couture, Inc. v. Gutman, et al.*, 1:20-cv-10575-LTS-SLC, currently pending in the Southern District of New York (the “New York Litigation”). As a result of my work with the New York Litigation, I am generally familiar with the legal fees Gutman is incurring.

2. I am familiar with the New York Litigation and the fees Gutman is incurring. I am also generally aware of the legal fees that the above-captioned debtor (the “Debtor”) has incurred, and is likely continuing to incur, in the New York Litigation. My knowledge of the Debtor’s legal fee expenditures stems from the Debtor’s legal fee disclosure made in the New York Litigation in connection with the Debtor’s Motion for Contempt against Gutman and the Debtor’s corresponding Motion for Attorneys’ Fees. *See* New York Litigation, Doc. Nos. 195, 196 (the “Contempt Motion”), 261-265 (the “Fees Motion”), and 276 (“Reply to Fees Motion”).

3. In total, the Debtor claimed that it incurred \$190,280.09¹ in legal fees and costs in connection with its Contempt Motion, comprising (in part):

¹ New York Litigation, Doc. No. 276 at 10 (Reply to Fees Motion).

- a. \$76,440.00 in legal fees in connection with the *twenty-five page motion for contempt and supporting declarations* (New York Litigation, Doc. No. 262 at 10 (Mem. of Law in Support of Fees Motion));
- b. \$45,105.00 in legal fees in connection with the Debtor's reply and opposition to Paige's cross-motion (*id.* at 11);
- c. \$18,055.00 in legal fees in connection with the Debtor's *eighteen-page Fees Motion* (*id.* at 14); and
- d. \$36,015.00 in legal fees in connection with the Debtor's *ten-page reply* in support of its Fees Motion (New York Litigation, Doc. 276 at 4).

4. The above-referenced fees incurred by the Debtor relate to just one single contempt motion and related fee application. There have been well over a dozen motions filed and over 450 docket entries in the New York Litigation to date—and that is just in the District Court. There have also been four appeals to the U.S. Court of Appeals for the Second Circuit, resulting in two lengthy opinions from the Second Circuit.

5. The high fees that the Debtor has incurred for straightforward motion practice and aggressive response to all aspects of the New York Litigation is exemplified in the filings noted above. It is further exemplified in one of the most recent filings, where the Debtor filed a *twenty-five page* response to Gutman's *six-page* motion for reconsideration. *See* New York Litigation, Doc. Nos. 476 (Gutman's Motion for Reconsideration) and 480 (Debtor's Opposition to Motion for Reconsideration). Based on the foregoing, and the forthcoming activities in the New York Litigation, it is likely that the Debtor will continue incurring significant legal fees that greatly exceed the amount that the Debtor has set forth in its Plan.

6. For example, briefing in the New York Litigation due to Judge Swain's most recent order related to the Second Circuit's remand will likely cause the Debtor to incur \$65,000-\$85,000 in legal fees, and based on past expenditures, possibly much higher fees. Indeed, on March 29th, the Debtor filed its *twenty-five page* opening brief with *three* accompanying declarations. *See* New York Litigation, Doc. Nos. 484-487. Pursuant to Judge Swain's schedule, the parties have yet to file their respective opposition and reply briefs, which will be forthcoming on April 12 and April 19 as well. This briefing relates to a couple of non-dispositive issues and is just an example of the high cost of the New York Litigation.

7. The Debtor may also incur additional legal fees in the event the New York Litigation has one or more appellate phases. Appellate practice in the New York Litigation is highly likely due to the nature of the litigation—the Second Circuit Court of Appeals has already issued two interlocutory decisions in the New York Litigation relating to, *inter alia*, the issues now on remand: (1) the novel issue of ownership of valuable social media accounts, and (2) whether a multi-year noncompete is enforceable. These issues appear likely to involve further appeals, result in additional significant legal fees on both parties, including the Debtor. *See id.*

8. Further, the New York Litigation has yet to even enter the discovery phase—which is typically one of the most costly phases of litigation. Based on my experience, it is reasonable for a party to expect to incur legal fees of \$75,000 or more per month during the discovery phase of a litigation of this type. Debtor has filed 18 separate claims against Gutman and her fiancé, while Gutman has filed 24 separate claims against the Debtor and Joseph Murphy. And following discovery is the summary judgment phase, which is highly likely to occur in the New York Litigation and can be very costly for all parties as well.

9. Based on the foregoing, it would be reasonable to anticipate that the Debtor could incur \$500,000-\$750,000 or more in legal fees over the remainder of this calendar year in connection with the New York Litigation, and that number may be conservative based on the aggressive and litigious nature of the Debtor's litigation counsel.

10. If called to testify on this matter, I would testify competently and truthfully to the above information.

I declare under the penalty of perjury that the foregoing is true and correct.

Executed on April 5, 2024

Haynes Boone LLP

By: /s/ Tiffany Cooke
Tiffany Cooke
Partner